Travancore Ltd. have been submitted to the Board for Reconstruction of Public Sector Enterprises for consideration.

Major bulk drugs production

1294. SHRI LALIT BHAI MEHTA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the quantity of production of about 300 important major bulk drugs produced in the country during 2003-04 and 2004-05, State-wise;

(b) the different fiscal and non-fiscal incentives/disincentives provided by the Central Government and States for setting up manufacturing units in selected areas/regions; and

(c) the impact thereof on production, quality and cost competitiveness in the long run?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) A large number of units manufacturing drugs and related items, both in the organized sector and in the small scale sector are operating in the country. Under the provisions of Drugs and Cosmetics Act, 1940 and Rules there-under, the responsibility for regulating manufacture and sale of drugs is vested primarily with the State Governments.

(b) The Central as well as the State Governments are providing various fiscal and non fiscal incentives for setting up of manufacturing units in selected areas/regions. The rate of excise duty applicable to new units in States of Himachal Pradesh and Uttaranchal is zero *vide* Notification No. 49/2003-C.E. dated 10.6.2003 as last amended by Notification No. 27/ 2004-C.E. dated 9.7.2004. Similarly exemption to specified goods manufacured by units located in specified areas of North Eastern States, Sikkim, Jammu and Kashmir and Kutch (Gujarat) is also exempted from payment of excise duty.

(c) There has been a substantial impact on pharma sector in terms of production, quality and cost competitiveness due to the various fiscal & non-fiscal measures/incentives adopted from time to time by the Government. This has resulted in the fresh investments for manufacture of bulk drugs & formulations, setting up of facilities for R&D work,

enhanced quality as per the global regulations & more importantly increased domestic production and exports to large number of destinations around the world in a cost competitive manner.

Fixing subsidy levels of fertilizers

1295. SHRI K. RAMA MOHANA RAO : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether government propose to have a clear cut policy to fix subsidy levels of fertilizers at the beginning of the year instead of micro-managing and based on input costs;

(b) whether any representation from the industry, in this regard, has been received in his Ministry;

(c) whether the Cabinet Committee on Economic Affairs has deliberated this issue in the recent past; and

(d) if so, the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN) : (a) The payments of subsidy for urea, a controlled fertilizer, are made to urea manufacturing units under the provisions of the New Pricing Scheme (NPS) for urea units, introduced w.e.f. 1.4.2003 in place of the erstwhile Retention Price Scheme. As per NPS, the rates of concession payable to urea units are adjusted on quarterly/annual basis to provide for escalation/de-escalation in the variable cost related to changes in the price of feedstock, fuel, purchased power and water.

As regards the decontrolled phosphatic and potassic (P&K) fertilizers, the payments of subsidy/concession are made under the Concession Scheme on sale of P&K fertilizers. The subsidy/concession is worked out for these fertilizers as per the recommendations of the Tariff Commission. Under the Concession Scheme, base concession rates are announced at the beginning of the year to facilitate manufacturers/ importers to claim 'on-account' payment. The final concession rates are announced quarterly after updating the normated delivered price with reference to prices of raw materials and intermediate products and foreign exchange rate.